

## CHANGE REQUEST COVER SHEET

**Change Request Number:** 14-12

**Date Received:** 1/8/2014

**Title:** Office of Financial Analysis Name Change

---

**Name:** Tim Eckert

**Phone:** (202) 267-7527

**Policy OR Guidance:** Guidance

**Section/Text Location Affected:** T3.2.1.4 and T3.2.2.5

**Summary of Change:** Change of references to Office of Financial Controls to Office of Financial Analysis

**Reason for Change:** Consistency with FAA reorganization

**Development, Review, and/or Concurrence:** Office of Financial Analysis and Acquisition Policy Division

**Target Audience:** Program Offices and Contracting Workforce

**Potential Links within FAST for the Change:** None

**Briefing Planned:** No

**ASAG Responsibilities:** None

**Potential Links within FAST for the Change:** None

**Links for New/Modified Forms (or) Documents (LINK 1)**

**Links for New/Modified Forms (or) Documents (LINK 2)**

**Links for New/Modified Forms (or) Documents (LINK 3)**

## SECTIONS EDITED:

### Procurement Guidance:

*T3.2.1.4 - Chief Financial Officer Requirements*

*Chief Financial Officer Approvals and Other Requirements*

**Section 1 : Authorization for Procurement Request** [[Old Content](#)][[New Content](#)] [[RedLine Content](#)]

### Procurement Guidance:

*T3.2.2.5 - Simplified Purchase Method*

*Simplified Purchasing*

**Section 4 : Prohibited and Restricted Purchases** [[Old Content](#)][[New Content](#)] [[RedLine Content](#)]

### Procurement Guidance:

*T3.2.2.5 - Simplified Purchase Method*

*Simplified Purchasing*

**Section 5 : FAA Sponsored Conferences, Seminars, Ceremonies, and Workshops** [[Old Content](#)][[New Content](#)] [[RedLine Content](#)]

## SECTIONS EDITED:

### **Section 1 : Authorization for Procurement Request**

**Old Content:** Procurement Guidance:

*T3.2.1.4 - Chief Financial Officer Requirements*

*Chief Financial Officer Approvals and Other Requirements*

**Section 1 : Authorization for Procurement Request**

a. The Administrator, in a memorandum dated August 11, 2005, directed the Chief Financial Officer (CFO) to exercise greater control and fiscal oversight over FAA contracting by specifically giving the CFO approval authority over all proposed procurement actions of \$10 million or more. This control and fiscal oversight were further clarified when the CFO, in the Administrator-delegated role as FAA's liaison to the DOT Office of Inspector General (OIG), provided the official FAA response in a memorandum dated September 15, 2006 to OIG Report Number FI-2006-072, "Audit of Federal Aviation Administration's RESULTS National Contracting Service." To accomplish the greater control and fiscal oversight, FAA program offices must submit these proposed procurement actions for CFO review to the Office of Financial Controls early enough in the acquisition process so that CFO participation can be effective. Review of potential commitments that have already been negotiated or otherwise finalized to the extent that there is little left to do but execute the document does not provide the CFO opportunity for effective contributions.

b. The CFO approval requirement applies to procurement actions for supplies, equipment, materials, systems, services, construction, real property (e.g. utilities), or other items where the total potential contract value or contract ceilings including options would be \$10 million or more.

c. CFO approval is required on all original actions of \$10 million or more that would result in one of the following:

- (1) New contract, including letter contract;
- (2) New agreement (interagency, intra-agency, not-to-exceed orders, other transaction, or cooperative agreement);
- (3) Basic ordering agreement (BOA)/blanket purchase agreement (BPA) where the potential value equals or exceeds \$10 million as well as any individual orders on a BOA or BPA that equals or exceeds \$10 million; and
- (4) Other procurement actions or any other binding commitment, such as a lease.

d. CFO approval is required on all modification actions (except as noted in paragraph e., below) to existing contracts, orders, or agreements where the following applies:

- (1) Any individual modification or combination of modifications, to an existing contract of less than \$10 million, which increases the total value or ceiling to \$10 million or more;
- (2) Any individual modification or combination of modifications previously not approved by the CFO to a contract with a ceiling or value of \$10 million or more, that increases the base value (the total ceiling or value previously approved by the CFO) by the lesser of either 15 percent or \$10 million.

**Note:** The 15 percent is to be applied to a “base value” which is the value for the contract or other type of agreement that has been approved by the CFO. This value is set at two distinct events:

(i) at the time of initial approval of the planned contract or other agreement; and

(ii) when CFO approval of modifications is received, the base value is reset to include the value of the modifications, and for contracts awarded before October 1, 2005, the base value is the contract ceiling or value that includes modifications accrued through September 30, 2005.

- (3) Any modification to an existing contract of \$10 million or more that results in a significant change to the statement of work. (The specific conditions involved with this approval will vary according to several factors, including the magnitude of the change to contract scope of work/requirements. The Office of Financial Controls is available for consultation with any program office to discuss questions concerning these conditions).

e. The CFO review and approval is not required for incremental funding actions under contracts, orders, or agreements; or exercising of priced options which were included in the total estimated contract value as part of a procurement action previously reviewed and approved by the CFO. Also, modifications for incremental funding or exercise of priced options under contracts awarded before October 1, 2005, do not need CFO approval as long as there is no change in scope, contract ceiling, or contract value.

f. Procurement actions must not be split to avoid CFO approval of actions of \$10 million or more.

g. For procurements that meet the threshold for CFO review, market research and analysis is required. It needs to be conducted in time to be documented in the package submitted the Office of Financial Controls for CFO approval. The level of market analysis should be commensurate with the size and complexity of the acquisition (see AMS Procurement Guidance T3.2.1.2)

h. The Contracting Officer (CO) must not release a request for offer (RFO) prior to receiving CFO approval. This requirement applies to both competitive and non-competitive procurements. (This paragraph relates to the timing of the CFO approval and does not override the descriptions in paragraphs b. through g. of what requires CFO approval.)

i. CFO review and approval processes are as follows:

(1) For all acquisitions subject to CFO review and approval other than support services acquisitions, the program official will get the CFO's approval by submitting a "Request for Approval of Chief Financial Officer" form to the Office of Financial Controls. The "Request for Approval of Chief Financial Officer" template can be found on the [Financial Services website](#) (FAA only). The template includes a checklist of questions and requires submission of a business case, statement of work, and independent Government cost estimate (IGCE) for each proposed acquisition that meets the criteria for submission to the CFO.

(2) Acquisitions for support services (also referred to as "support contracts") as defined under AMS Procurement Guidance T3.8.2A.4 that are subject to CFO review and approval must be reviewed by the Support Contract Review Board (SCRB) which will make a recommendation of approval or disapproval to the CFO. The purpose of the SCRB is to simplify and expedite CFO approval of support services procurements by adhering to a set processing timetable, while obtaining simultaneous approval from Contracting and Acquisition, Legal counsel, and the Office of Financial Controls. SCRB Phase I and Phase II Templates may be found on the [Financial Services website](#) (FAA only).

j. The program official must provide a copy of the Office of Financial Controls' approval note, including all imposed conditions, and the CFO signature page to the CO.

k. CFO approval is specific to the business case, statement of work, and IGCE provided to the Office of Financial Controls prior to approval. The criteria below provide guidance on proper procedures to follow if there are significant changes to the business case, statement of work and/or IGCE subsequent to CFO approval:

(1) If, after CFO approval, the requirements do not change, but the revised cost estimate, negotiated amount, or selected offer is 15 percent or more greater than the IGCE approved by the CFO, the program office must submit a revised estimate and an explanation and reconciliation to the Office of Financial Controls for an updated approval prior to contract award;

(2) If, after CFO approval, the requirements do not change, but the revised cost estimate, negotiated amount, or selected offer is 15 percent or more less than the IGCE approved by the CFO, the program office must submit to the CFO, no later than the day of contract award, an explanation and reconciliation of why the initial estimate was overstated;

(3) If, after CFO approval, there are significant changes to CFO-approved contract statement of work, the program office must submit a revised statement of work to the Office of Financial Controls for an updated approval. (The specific conditions involved with this approval will vary according to several factors, including the magnitude of the change to contract scope of work/requirements. The Office of Financial Controls is available for consultation with any program office to discuss questions concerning these conditions).

(4) The program office must provide to the Office of Financial Controls the contract award amount and contract number within 30 days of contract award.

l. After contract award, the Office of Financial Controls will request information regarding the contract amount, compliance with any conditions/requirements in the CFO's approval, and other information which must be provided to CFO for follow-up action.

m. For current forms and guidance, please see the [Financial Services website](#) (FAA only).

**New Content: Procurement Guidance:**

*T3.2.1.4 - Chief Financial Officer Requirements*

*Chief Financial Officer Approvals and Other Requirements*

**Section 1 : Authorization for Procurement Request**

a. The Administrator, in a memorandum dated August 11, 2005, directed the Chief Financial Officer (CFO) to exercise greater control and fiscal oversight over FAA contracting by specifically giving the CFO approval authority over all proposed procurement actions of \$10 million or more. This control and fiscal oversight were further clarified when the CFO, in the Administrator-delegated role as FAA's liaison to the DOT Office of Inspector General (OIG), provided the official FAA response in a memorandum dated September 15, 2006 to OIG Report

Number FI-2006-072, "Audit of Federal Aviation Administration's RESULTS National Contracting Service." To accomplish the greater control and fiscal oversight, FAA program offices must submit these proposed procurement actions for CFO review to the Office of Financial Analysis early enough in the acquisition process so that CFO participation can be effective. Review of potential commitments that have already been negotiated or otherwise finalized to the extent that there is little left to do but execute the document does not provide the CFO opportunity for effective contributions.

b. The CFO approval requirement applies to procurement actions for supplies, equipment, materials, systems, services, construction, real property (e.g. utilities), or other items where the total potential contract value or contract ceilings including options would be \$10 million or more.

c. CFO approval is required on all original actions of \$10 million or more that would result in one of the following:

- (1) New contract, including letter contract;
- (2) New agreement (interagency, intra-agency, not-to-exceed orders, other transaction, or cooperative agreement);
- (3) Basic ordering agreement (BOA)/blanket purchase agreement (BPA) where the potential value equals or exceeds \$10 million as well as any individual orders on a BOA or BPA that equals or exceeds \$10 million; and
- (4) Other procurement actions or any other binding commitment, such as a lease.

d. CFO approval is required on all modification actions (except as noted in paragraph e., below) to existing contracts, orders, or agreements where the following applies:

- (1) Any individual modification or combination of modifications, to an existing contract of less than \$10 million, which increases the total value or ceiling to \$10 million or more;
- (2) Any individual modification or combination of modifications previously not approved by the CFO to a contract with a ceiling or value of \$10 million or more, that increases the base value (the total ceiling or value previously approved by the CFO) by the lesser of either 15 percent or \$10 million.

**Note:** The 15 percent is to be applied to a "base value" which is the value for the contract or other type of agreement that has been approved by the CFO. This value is set at two distinct events:

- (i) at the time of initial approval of the planned contract or other agreement; and

(ii) when CFO approval of modifications is received, the base value is reset to include the value of the modifications, and for contracts awarded before October 1, 2005, the base value is the contract ceiling or value that includes modifications accrued through September 30, 2005.

(3) Any modification to an existing contract of \$10 million or more that results in a significant change to the statement of work. (The specific conditions involved with this approval will vary according to several factors, including the magnitude of the change to contract scope of work/requirements. The Office of Financial Analysis is available for consultation with any program office to discuss questions concerning these conditions).

e. The CFO review and approval is not required for incremental funding actions under contracts, orders, or agreements; or exercising of priced options which were included in the total estimated contract value as part of a procurement action previously reviewed and approved by the CFO. Also, modifications for incremental funding or exercise of priced options under contracts awarded before October 1, 2005, do not need CFO approval as long as there is no change in scope, contract ceiling, or contract value.

f. Procurement actions must not be split to avoid CFO approval of actions of \$10 million or more.

g. For procurements that meet the threshold for CFO review, market research and analysis is required. It needs to be conducted in time to be documented in the package submitted the Office of Financial Analysis for CFO approval. The level of market analysis should be commensurate with the size and complexity of the acquisition (see AMS Procurement Guidance T3.2.1.2)

h. The Contracting Officer (CO) must not release a request for offer (RFO) prior to receiving CFO approval. This requirement applies to both competitive and non-competitive procurements. (This paragraph relates to the timing of the CFO approval and does not override the descriptions in paragraphs b. through g. of what requires CFO approval.)

i. CFO review and approval processes are as follows:

(1) For all acquisitions subject to CFO review and approval other than support services acquisitions, the program official will get the CFO's approval by submitting a "Request for Approval of Chief Financial Officer" form to the Office of Financial Analysis. The "Request for Approval of Chief Financial Officer" template can be found on the [Financial Services website](#) (FAA only). The template includes a checklist of questions and requires submission of a business case, statement of work, and independent Government cost estimate (IGCE) for each proposed acquisition that meets the criteria for submission to the CFO.

(2) Acquisitions for support services (also referred to as "support contracts") as defined under AMS Procurement Guidance T3.8.2A.4 that are subject to CFO review and approval must be reviewed by the Support Contract Review Board (SCRB) which will make a recommendation of approval or disapproval to the CFO. The purpose of the SCRB is to simplify and expedite CFO approval of support services procurements by adhering to a set processing timetable, while obtaining simultaneous approval from Contracting and Acquisition, Legal counsel, and the Office of Financial Analysis. SCRB Phase I and Phase II Templates may be found on the [Financial Services website](#) (FAA only).

j. The program official must provide a copy of the Office of Financial Analysis' approval note, including all imposed conditions, and the CFO signature page to the CO.

k. CFO approval is specific to the business case, statement of work, and IGCE provided to the Office of Financial Analysis prior to approval. The criteria below provide guidance on proper procedures to follow if there are significant changes to the business case, statement of work and/or IGCE subsequent to CFO approval:

(1) If, after CFO approval, the requirements do not change, but the revised cost estimate, negotiated amount, or selected offer is 15 percent or more greater than the IGCE approved by the CFO, the program office must submit a revised estimate and an explanation and reconciliation to the Office of Financial Analysis for an updated approval prior to contract award;

(2) If, after CFO approval, the requirements do not change, but the revised cost estimate, negotiated amount, or selected offer is 15 percent or more less than the IGCE approved by the CFO, the program office must submit to the CFO, no later than the day of contract award, an explanation and reconciliation of why the initial estimate was overstated;

(3) If, after CFO approval, there are significant changes to CFO-approved contract statement of work, the program office must submit a revised statement of work to the Office of Financial Analysis for an updated approval. (The specific conditions involved with this approval will vary according to several factors, including the magnitude of the change to contract scope of work/requirements. The Office of Financial Analysis is available for consultation with any program office to discuss questions concerning these conditions).

(4) The program office must provide to the Office of Financial Analysis the contract award amount and contract number within 30 days of contract award.

l. After contract award, the Office of Financial Analysis will request information regarding the contract amount, compliance with any conditions/requirements in the CFO's approval, and other information which must be provided to CFO for follow-up action.

m. For current forms and guidance, please see the [Financial Services website](#) (FAA only).

**Red Line Content: Procurement Guidance:**

*T3.2.1.4 - Chief Financial Officer Requirements*

*Chief Financial Officer Approvals and Other Requirements*

**Section 1 : Authorization for Procurement Request**

a. The Administrator, in a memorandum dated August 11, 2005, directed the Chief Financial Officer (CFO) to exercise greater control and fiscal oversight over FAA contracting by specifically giving the CFO approval authority over all proposed procurement actions of \$10 million or more. This control and fiscal oversight were further clarified when the CFO, in the Administrator-delegated role as FAA's liaison to the DOT Office of Inspector General (OIG), provided the official FAA response in a memorandum dated September 15, 2006 to OIG Report Number FI-2006-072, "Audit of Federal Aviation Administration's RESULTS National Contracting Service." To accomplish the greater control and fiscal oversight, FAA program offices must submit these proposed procurement actions for CFO review to the Office of Financial ~~Controls~~ *Analysis* early enough in the acquisition process so that CFO participation can be effective. Review of potential commitments that have already been negotiated or otherwise finalized to the extent that there is little left to do but execute the document does not provide the CFO opportunity for effective contributions.

b. The CFO approval requirement applies to procurement actions for supplies, equipment, materials, systems, services, construction, real property (e.g. utilities), or other items where the total potential contract value or contract ceilings including options would be \$10 million or more.

c. CFO approval is required on all original actions of \$10 million or more that would result in one of the following:

- (1) New contract, including letter contract;
- (2) New agreement (interagency, intra-agency, not-to-exceed orders, other transaction, or cooperative agreement);
- (3) Basic ordering agreement (BOA)/blanket purchase agreement (BPA) where the potential value equals or exceeds \$10 million as well as any individual orders on a BOA or BPA that equals or exceeds \$10 million; and
- (4) Other procurement actions or any other binding commitment, such as a lease.

d. CFO approval is required on all modification actions (except as noted in paragraph e., below) to existing contracts, orders, or agreements where the following applies:

(1) Any individual modification or combination of modifications, to an existing contract of less than \$10 million, which increases the total value or ceiling to \$10 million or more;

(2) Any individual modification or combination of modifications previously not approved by the CFO to a contract with a ceiling or value of \$10 million or more, that increases the base value (the total ceiling or value previously approved by the CFO) by the lesser of either 15 percent or \$10 million.

**Note:** The 15 percent is to be applied to a “base value” which is the value for the contract or other type of agreement that has been approved by the CFO. This value is set at two distinct events:

(i) at the time of initial approval of the planned contract or other agreement; and

(ii) when CFO approval of modifications is received, the base value is reset to include the value of the modifications, and for contracts awarded before October 1, 2005, the base value is the contract ceiling or value that includes modifications accrued through September 30, 2005.

(3) Any modification to an existing contract of \$10 million or more that results in a significant change to the statement of work. (The specific conditions involved with this approval will vary according to several factors, including the magnitude of the change to contract scope of work/requirements. The Office of Financial [Controls Analysis](#) is available for consultation with any program office to discuss questions concerning these conditions).

e. The CFO review and approval is not required for incremental funding actions under contracts, orders, or agreements; or exercising of priced options which were included in the total estimated contract value as part of a procurement action previously reviewed and approved by the CFO. Also, modifications for incremental funding or exercise of priced options under contracts awarded before October 1, 2005, do not need CFO approval as long as there is no change in scope, contract ceiling, or contract value.

f. Procurement actions must not be split to avoid CFO approval of actions of \$10 million or more.

g. For procurements that meet the threshold for CFO review, market research and analysis is required. It needs to be conducted in time to be documented in the package submitted the Office of Financial-[Controls Analysis](#) for CFO approval. The level of market analysis should be commensurate with the size and complexity of the acquisition (see AMS Procurement Guidance T3.2.1.2)

h. The Contracting Officer (CO) must not release a request for offer (RFO) prior to receiving CFO approval. This requirement applies to both competitive and non-competitive procurements. (This paragraph relates to the timing of the CFO approval and does not override the descriptions in paragraphs b. through g. of what requires CFO approval.)

i. CFO review and approval processes are as follows:

(1) For all acquisitions subject to CFO review and approval other than support services acquisitions, the program official will get the CFO's approval by submitting a "Request for Approval of Chief Financial Officer" form to the Office of Financial ~~Controls~~Analysis. The "Request for Approval of Chief Financial Officer" template can be found on the [Financial Services website](#) (FAA only). The template includes a checklist of questions and requires submission of a business case, statement of work, and independent Government cost estimate (IGCE) for each proposed acquisition that meets the criteria for submission to the CFO.

(2) Acquisitions for support services (also referred to as "support contracts") as defined under AMS Procurement Guidance T3.8.2A.4 that are subject to CFO review and approval must be reviewed by the Support Contract Review Board (SCRB) which will make a recommendation of approval or disapproval to the CFO. The purpose of the SCRB is to simplify and expedite CFO approval of support services procurements by adhering to a set processing timetable, while obtaining simultaneous approval from Contracting and Acquisition, Legal counsel, and the Office of Financial ~~Controls~~Analysis. SCRB Phase I and Phase II Templates may be found on the [Financial Services website](#) (FAA only).

j. The program official must provide a copy of the Office of Financial ~~Controls~~Analysis' approval note, including all imposed conditions, and the CFO signature page to the CO.

k. CFO approval is specific to the business case, statement of work, and IGCE provided to the Office of Financial ~~Controls~~Analysis prior to approval. The criteria below provide guidance on proper procedures to follow if there are significant changes to the business case, statement of work and/or IGCE subsequent to CFO approval:

(1) If, after CFO approval, the requirements do not change, but the revised cost estimate, negotiated amount, or selected offer is 15 percent or more greater than the IGCE approved by the CFO, the program office must submit a revised estimate and an explanation and reconciliation to the Office of Financial ~~Controls~~Analysis for an updated approval prior to contract award;

(2) If, after CFO approval, the requirements do not change, but the revised cost estimate, negotiated amount, or selected offer is 15 percent or more less than the IGCE approved by the CFO, the program office must submit to the CFO, no later than the day of contract award, an explanation and reconciliation of why the initial estimate was overstated;

(3) If, after CFO approval, there are significant changes to CFO-approved contract statement of work, the program office must submit a revised statement of work to the Office of Financial ~~Controls~~ Analysis for an updated approval. (The specific conditions involved with this approval will vary according to several factors, including the magnitude of the change to contract scope of work/requirements. The Office of Financial ~~Controls~~ Analysis is available for consultation with any program office to discuss questions concerning these conditions).

(4) The program office must provide to the Office of Financial ~~Controls~~ Analysis the contract award amount and contract number within 30 days of contract award.

l. After contract award, the Office of Financial ~~Controls~~ Analysis will request information regarding the contract amount, compliance with any conditions/requirements in the CFO's approval, and other information which must be provided to CFO for follow-up action.

m. For current forms and guidance, please see the [Financial Services website](#) (FAA only).

---

#### **Section 4 : Prohibited and Restricted Purchases**

**Old Content:** Procurement Guidance:

*T3.2.2.5 - Simplified Purchase Method*

*Simplified Purchasing*

#### **Section 4 : Prohibited and Restricted Purchases**

a. This guidance is intended to assist FAA personnel in determining whether a particular item or service would be a permissible purchase using appropriated funds. There is no ironclad rule or readily available list that describes in every case whether a particular purchase using appropriated funding is permissible. FAA personnel should use common sense and sound judgment, based on appropriations law and related decisions of the Comptroller General.

b. The Government Accountability Office (GAO) established a "necessary expense" doctrine. This doctrine is described fully in Volume I, Third Edition, of "Principles of Federal Appropriations Law," (GAO Red Book) issued by GAO, Office of the General Counsel. This publication states, in part, that for an expenditure to be justified under the necessary expense theory, it must meet certain tests, including: "The expenditure must bear a logical relationship to the appropriation sought to be charged. In other words, it must make a direct contribution to carrying out either a specific appropriation or an authorized agency function for which more general appropriations are available" (GAO Red Book, Volume I, Chapter 4, Section B.1.). By projection, the necessary expense doctrine does not allow use of appropriated funds to purchase items or services that can be reasonably interpreted to meet personal convenience and are not for a necessary Governmental function." The CO or purchase cardholder, consulting with budget officials and legal counsel, should make determinations in this area about questioned or questionable items or services. Almost any listing of prohibited items of purchase is subject to

exceptions. To quote the GAO Red Book "The Comptroller General has never established a precise formula for determining the application of the necessary expense rule. In view of the vast differences among agencies, any formula would almost certainly be unworkable. Rather, the determination must be made essentially on a case-by-case basis."

*c. Prohibited and Restricted Items.* For FAA, the following are prohibited or restricted items of purchase (this is not a complete list):

(1) **Drinking water**, except when:

- (a) A duly constituted public health authority pronounces ordinary drinking water to be unsafe for human consumption at the site;
- (b) A viable and safe water source for FAA personnel is not available on or within a reasonable distance of the worksite;
- (c) FAA personnel reasonably foresee a disaster or emergency, such as imminent landfall of a hurricane, and all of the following conditions are present:
  - (i) FAA personnel reasonably anticipate that drinking water at the site will be unsafe for human consumption;
  - (ii) The drinking water is for FAA personnel responding to or at the emergency or disaster site;
  - (iii) The amount of drinking water is commensurate with the anticipated response time at the site or the estimated time for the local drinking water to be considered safe for human consumption, whichever is shorter; and
  - (iv) The drinking water is purchased in a reasonable time-frame in advance of an imminent emergency or disaster, and the time-frame does not exceed the time required to purchase, stage, and properly distribute the drinking water; or
- (d) The drinking water is provided in a controlled environment as may be necessary to enable collections for drug use analysis for safety sensitive positions.

(2) **Food or beverage**, except as described in AMS Procurement Guidance T3.2.2.5A.5, FAA Sponsored Conferences, Seminars, Ceremonies, and Workshops.

(3) **Gifts, gift certificates, and prepaid gift cards.**

(4) **Membership fees** for individual employees. The FAA may purchase membership in a society or association in its own name.

(5) **Subscriptions** to print or online publications or magazines not related to official duties.

(6) **Clothing** or personal apparel of any description, except:

(a) Special type clothing required by FAA. The requestor's supervisor must prepare a written justification for special type clothing and coordinate the justification with legal counsel.

(i) Clothing (such as a shirt with FAA logo) for recruitment activities such as job fairs and professional liaison activities with recruitment sources (e.g., schools, colleges and universities, professional associations/organizations, or intergovernmental agency sources) may be authorized if it supports FAA business objectives and there is a bona fide need.

(ii) Clothing for air shows may be authorized if there is a bona fide need for FAA employees to be clearly identifiable.

(b) Clothing and equipment classified as personal protective equipment (PPE). The requestor's supervisor must prepare a written justification for PPE, but does not need coordination with legal counsel when the value of the procurement is below \$100,000. All PPE must:

(i) Have proper controls established to ensure that PPE is appropriate and accounted for; and

(ii) Be maintained and used according to standards established by the Occupational Safety and Health Administration (OSHA). See the OSHA website for more information.

(c) All clothing or PPE purchased by FAA remains the property of the Government and not the employee.

(7) **Rental of aircraft** by anyone not in an aircraft-related position.

(8) **Fans, air conditioning and cooling equipment, space heaters and heating equipment**, except as properly installed for general use in connection with the maintenance and operations requirements for the site.

(9) **Water coolers, vacuum cleaners, and other household appliances** (i.e. refrigerators, microwaves, etc.), except as requisitioned for general use by the authorities responsible for building maintenance and equipment.

(10) **Cellular or communication devices and services** covered by the National Wireless Program Office (NWPO). Devices provided through the NWPO include cellular phones, one and two-way pager devices, multi-functional server-based devices (e.g. Blackberries), and satellite phones.

(11) **Personalized stationery**, including paper pads, with the name, position, title, logo, or office of FAA personnel, except when:

(a) There is a clear business need approved by the head of the line of business or staff office; and

(b) The requestor notifies Office of Financial Controls (AFC-1) of the planned purchase in advance.

(12) **Tote bags.** (13)

**Coffee mugs.** (14)

**Water bottles.**

(15) **Leather and other natural hide portfolios, binders, or planners.**

(16) **Give-away items**, including portfolio covers, flash drives, pens, and pencils, for internal or external marketing of products, services, or programs by FAA, with the following exception and conditions:

(a) Purchase of promotional items for recruitment activities, such as for job fairs and professional liaison activities with recruitment sources (e.g., schools, colleges and universities, professional associations/organizations, or intergovernmental agency sources), may be authorized when these items support FAA business objectives and there is a bona fide need. Where there is a bona

vide need, the selection of items must meet all of the following criteria:

(1) Has a practical use appropriate for the audience, and are business related items, such as pens, rulers, calculators, post-it notes, business card holders, lanyards or note pads;

(2) The items cannot be a personal use item, such as coffee cups, water bottles, umbrellas, candy or food items, or fans;

(3) Is economically priced and reasonably portable; and

(4) Avoids the perception that taxpayer dollars have been frivolously spent.

(b) Recruitment items must comply with FAA branding order 1700.6C and display the FAA jobs website ([www.faa.gov/jobs](http://www.faa.gov/jobs)).

(17) **iPAD** and similar equipment and related services, with the following exceptions and conditions:

(a) All purchases of iPAD or similar equipment and related services must be approved by the Chief Information Officer (CIO) of the respective line of business (LOB) or staff office (SO) for use in a pilot program.

(b) iPAD and similar equipment and related services for approved purchases may be procured using the FAA purchase card if the costs do not exceed established single and monthly purchase limits.

(c) LOB/SO CIOs are responsible for determining the level of acceptable security risk. As such, each LOB/SO must review the default device settings and modify accordingly to ensure the appropriate level of information assurance.

(d) Each LOB/SO must maintain an inventory of all iPAD or similar equipment.

(18) **Purchases for Non-Monetary Awards**, except:

(a) The FAA may purchase plaques, trophies, pins, or similar *symbolic* items for non-monetary awards to officially recognize

employees. Items purchased for non-monetary awards must not exceed \$75 per item; purchases for the FAA Corporate Awards and Recognition program are not subject to this dollar limit, but should be reasonably priced and symbolic items. All official awards must comply with HRP, Performance Management PM-9.2, Recognizing Employees. Requisitioning offices must maintain appropriate documentation for purchases related to non-monetary awards.

(b) To enhance an official awards ceremony, reasonable and nominally priced purchases, such as for decorations and related supplies, are permissible.

(19) **Business Cards**, except:

(a) The FAA may use appropriated funds to purchase business cards for employees if necessary to conduct business and approved in advance. Associate/Assistant Administrators, ATO Vice Presidents, and Regional Administrators/Center Directors determine who in their organization are authorized business cards paid for with appropriated funds to conduct FAA business. Authority for this determination may be delegated to a lower level.

(b) Business cards purchased with appropriated funds are Government property. Employees should exercise good judgment and caution when using their cards in situations not directly related to conducting FAA business.

(c) All FAA business cards must comply with branding logo and template requirements in FAA Order 1700.6C. See the FAA website for more information (*FAA only*)

(d) Purchasers must use one of two printing sources when using appropriated funds to purchase business cards:

(1) FAA Aeronautical Center's Media Solutions Group; or

(2) Lighthouse for the Blind, Inc., Seattle, WA (pursuant to the mandatory source requirements of the Javits-Wagner-O'Day Act). See the Lighthouse for the Blind's website for ordering information.

**(20) Purchasing or Renting Portable Storage Units or Procuring Short-term Storage Services**, with the following exceptions and conditions:

(a) Before purchasing or renting storage units or procuring storage services, a determination must be made that existing storage space is not available from other sources within FAA or elsewhere in Government. COs or purchase cardholders must coordinate storage requirements with a Real Estate Contracting Officer (RECO). This coordination is intended to ensure that no in-house storage capabilities are available, and no real estate or facility factors exist that may affect the procurement, such as applicable real estate regulations or unique site requirements.

(b) Storage units or services for purposes of this guidance are limited to portable storage units or containers designed for temporary (less than six months) on-site use or temporary storage in a secured centralized storage center owned by the vendor. The storage units or containers must be classified as personal property and not affixed or attached in a permanent means to the land (real property) upon which they may be situated for temporary use. If the portable storage unit or container is to be placed on land owned or leased by FAA, the CO or cardholder must ensure FAA has legally established rights to use the land before staging or storing a third party item of property (storage unit or container) procured under a service agreement.

(c) When possible, storage requirements for a construction project should be incorporated into the statement of work or specification under the associated construction contract.

(d) Purchase cards cannot be used:

(1) For purchase, rental, or lease of land or buildings;

(2) To purchase real property, which is defined as land, buildings, structures or rights over or under the land, or things that are permanently affixed or attached to the land such as improvements to make it more productive or to make it serve a more beneficial end than the land itself; and

(3) For long-term storage unit rental or services (long-term is defined as six months or more), unless the purchase card is being used as a payment

vehicle against a contract or lease signed by a CO/RECO and:

- (i) The total cost of rental or purchase of storage services does not exceed the cardholder's delegated authority;
- (ii) The portable units are not classified as real property (as defined above); and
- (iii) The terms and conditions of the rental or storage services (i.e. termination authority) are set forth in writing and signed by both parties.

**New Content:** Procurement Guidance:

*T3.2.2.5 - Simplified Purchase Method*

*Simplified Purchasing*

**Section 4 : Prohibited and Restricted Purchases**

a. This guidance is intended to assist FAA personnel in determining whether a particular item or service would be a permissible purchase using appropriated funds. There is no ironclad rule or readily available list that describes in every case whether a particular purchase using appropriated funding is permissible. FAA personnel should use common sense and sound judgment, based on appropriations law and related decisions of the Comptroller General.

b. The Government Accountability Office (GAO) established a "necessary expense" doctrine. This doctrine is described fully in Volume I, Third Edition, of "Principles of Federal Appropriations Law," (GAO Red Book) issued by GAO, Office of the General Counsel. This publication states, in part, that for an expenditure to be justified under the necessary expense theory, it must meet certain tests, including: "The expenditure must bear a logical relationship to the appropriation sought to be charged. In other words, it must make a direct contribution to carrying out either a specific appropriation or an authorized agency function for which more general appropriations are available" (GAO Red Book, Volume I, Chapter 4, Section B.1.). By projection, the necessary expense doctrine does not allow use of appropriated funds to purchase items or services that can be reasonably interpreted to meet personal convenience and are not for a necessary Governmental function." The CO or purchase cardholder, consulting with budget officials and legal counsel, should make determinations in this area about questioned or questionable items or services. Almost any listing of prohibited items of purchase is subject to exceptions. To quote the GAO Red Book "The Comptroller General has never established a precise formula for determining the application of the necessary expense rule. In view of the vast differences among agencies, any formula would almost certainly be unworkable. Rather, the determination must be made essentially on a case-by-case basis."

FAST Archive 01/2014

CR 14-12

p. 19

c. *Prohibited and Restricted Items.* For FAA, the following are prohibited or restricted items of purchase (this is not a complete list):

(1) **Drinking water**, except when:

(a) A duly constituted public health authority pronounces ordinary drinking water to be unsafe for human consumption at the site;

(b) A viable and safe water source for FAA personnel is not available on or within a reasonable distance of the worksite;

(c) FAA personnel reasonably foresee a disaster or emergency, such as imminent landfall of a hurricane, and all of the following conditions are present:

(i) FAA personnel reasonably anticipate that drinking water at the site will be unsafe for human consumption;

(ii) The drinking water is for FAA personnel responding to or at the emergency or disaster site;

(iii) The amount of drinking water is commensurate with the anticipated response time at the site or the estimated time for the local drinking water to be considered safe for human consumption, whichever is shorter; and

(iv) The drinking water is purchased in a reasonable time-frame in advance of an imminent emergency or disaster, and the time-frame does not exceed the time required to purchase, stage, and properly distribute the drinking water; or

(d) The drinking water is provided in a controlled environment as may be necessary to enable collections for drug use analysis for safety sensitive positions.

(2) **Food or beverage**, except as described in AMS Procurement Guidance T3.2.2.5A.5, FAA Sponsored Conferences, Seminars, Ceremonies, and Workshops.

(3) **Gifts, gift certificates, and prepaid gift cards.**

(4) **Membership fees** for individual employees. The FAA may purchase membership in a society or association in its own name.

(5) **Subscriptions** to print or online publications or magazines not related to official duties.

(6) **Clothing** or personal apparel of any description, except:

(a) Special type clothing required by FAA. The requestor's supervisor must prepare a written justification for special type clothing and coordinate the justification with legal counsel.

(i) Clothing (such as a shirt with FAA logo) for recruitment activities such as job fairs and professional liaison activities with recruitment sources (e.g., schools, colleges and universities, professional associations/organizations, or intergovernmental agency sources) may be authorized if it supports FAA business objectives and there is a bona fide need.

(ii) Clothing for air shows may be authorized if there is a bona fide need for FAA employees to be clearly identifiable.

(b) Clothing and equipment classified as personal protective equipment (PPE). The requestor's supervisor must prepare a written justification for PPE, but does not need coordination with legal counsel when the value of the procurement is below \$100,000. All PPE must:

(i) Have proper controls established to ensure that PPE is appropriate and accounted for; and

(ii) Be maintained and used according to standards established by the Occupational Safety and Health Administration (OSHA). See the OSHA website for more information.

(c) All clothing or PPE purchased by FAA remains the property of the Government and not the employee.

(7) **Rental of aircraft** by anyone not in an aircraft-related position.

(8) **Fans, air conditioning and cooling equipment, space heaters and heating equipment**, except as properly installed for general use in connection with the maintenance and operations requirements for the site.

(9) **Water coolers, vacuum cleaners, and other household appliances** (i.e. refrigerators, microwaves, etc.), except as requisitioned for general use by the authorities responsible for building maintenance and equipment.

(10) **Cellular or communication devices and services** covered by the National Wireless Program Office (NWPO). Devices provided through the NWPO include cellular phones, one and two-way pager devices, multi-functional server-based devices (e.g. Blackberries), and satellite phones.

(11) **Personalized stationery**, including paper pads, with the name, position, title, logo, or office of FAA personnel, except when:

(a) There is a clear business need approved by the head of the line of business or staff office; and

(b) The requestor notifies Office of Financial Analysis (AFC-1) of the planned purchase in advance.

(12) **Tote bags.** (13)

**Coffee mugs.** (14)

**Water bottles.**

(15) **Leather and other natural hide portfolios, binders, or planners.**

(16) **Give-away items**, including portfolio covers, flash drives, pens, and pencils, for internal or external marketing of products, services, or programs by FAA, with the following exception and conditions:

(a) Purchase of promotional items for recruitment activities, such as for job fairs and professional liaison activities with recruitment sources (e.g., schools, colleges and universities, professional associations/organizations, or intergovernmental agency sources), may be authorized when these items support FAA business objectives and there is a bona fide need. Where there is a bona fide need, the selection of items must meet all of the following criteria:

(1) Has a practical use appropriate for the audience, and are business related items, such as pens, rulers,

calculators, post-it notes, business card holders, lanyards or note pads;

(2) The items cannot be a personal use item, such as coffee cups, water bottles, umbrellas, candy or food items, or fans;

(3) Is economically priced and reasonably portable; and

(4) Avoids the perception that taxpayer dollars have been frivolously spent.

(b) Recruitment items must comply with FAA branding order 1700.6C and display the FAA jobs website ([www.faa.gov/jobs](http://www.faa.gov/jobs)).

(17) **iPAD** and similar equipment and related services, with the following exceptions and conditions:

(a) All purchases of iPAD or similar equipment and related services must be approved by the Chief Information Officer (CIO) of the respective line of business (LOB) or staff office (SO) for use in a pilot program.

(b) iPAD and similar equipment and related services for approved purchases may be procured using the FAA purchase card if the costs do not exceed established single and monthly purchase limits.

(c) LOB/SO CIOs are responsible for determining the level of acceptable security risk. As such, each LOB/SO must review the default device settings and modify accordingly to ensure the appropriate level of information assurance.

(d) Each LOB/SO must maintain an inventory of all iPAD or similar equipment.

(18) **Purchases for Non-Monetary Awards**, except:

(a) The FAA may purchase plaques, trophies, pins, or similar *symbolic* items for non-monetary awards to officially recognize employees. Items purchased for non-monetary awards must not exceed \$75 per item; purchases for the FAA Corporate Awards and Recognition program are not subject to this dollar limit, but should be reasonably priced and symbolic items. All official awards must comply with HRPM, Performance Management PM-9.2,

Recognizing Employees. Requisitioning offices must maintain appropriate documentation for purchases related to non-monetary awards.

(b) To enhance an official awards ceremony, reasonable and nominally priced purchases, such as for decorations and related supplies, are permissible.

(19) **Business Cards**, except:

(a) The FAA may use appropriated funds to purchase business cards for employees if necessary to conduct business and approved in advance. Associate/Assistant Administrators, ATO Vice Presidents, and Regional Administrators/Center Directors determine who in their organization are authorized business cards paid for with appropriated funds to conduct FAA business. Authority for this determination may be delegated to a lower level.

(b) Business cards purchased with appropriated funds are Government property. Employees should exercise good judgment and caution when using their cards in situations not directly related to conducting FAA business.

(c) All FAA business cards must comply with branding logo and template requirements in FAA Order 1700.6C. See the FAA website for more information (FAA only)

(d) Purchasers must use one of two printing sources when using appropriated funds to purchase business cards:

(1) FAA Aeronautical Center's Media Solutions Group; or

(2) Lighthouse for the Blind, Inc., Seattle, WA (pursuant to the mandatory source requirements of the Javits-Wagner-O'Day Act). See the Lighthouse for the Blind's website for ordering information.

(20) **Purchasing or Renting Portable Storage Units or Procuring Short-term Storage Services**, with the following exceptions and conditions:

(a) Before purchasing or renting storage units or procuring storage services, a determination must be made that existing storage space is not available from other sources within FAA or elsewhere in

Government. COs or purchase cardholders must coordinate storage requirements with a Real Estate Contracting Officer (RECO). This coordination is intended to ensure that no in-house storage capabilities are available, and no real estate or facility factors exist that may affect the procurement, such as applicable real estate regulations or unique site requirements.

(b) Storage units or services for purposes of this guidance are limited to portable storage units or containers designed for temporary (less than six months) on-site use or temporary storage in a secured centralized storage center owned by the vendor. The storage units or containers must be classified as personal property and not affixed or attached in a permanent means to the land (real property) upon which they may be situated for temporary use. If the portable storage unit or container is to be placed on land owned or leased by FAA, the CO or cardholder must ensure FAA has legally established rights to use the land before staging or storing a third party item of property (storage unit or container) procured under a service agreement.

(c) When possible, storage requirements for a construction project should be incorporated into the statement of work or specification under the associated construction contract.

(d) Purchase cards cannot be used:

(1) For purchase, rental, or lease of land or buildings;

(2) To purchase real property, which is defined as land, buildings, structures or rights over or under the land, or things that are permanently affixed or attached to the land such as improvements to make it more productive or to make it serve a more beneficial end than the land itself; and

(3) For long-term storage unit rental or services (long-term is defined as six months or more), unless the purchase card is being used as a payment vehicle against a contract or lease signed by a CO/RECO and:

(i) The total cost of rental or purchase of storage services does not

exceed the cardholder's delegated authority;

(ii) The portable units are not classified as real property (as defined above); and

(iii) The terms and conditions of the rental or storage services (i.e. termination authority) are set forth in writing and signed by both parties.

**Red Line Content: Procurement Guidance:**

*T3.2.2.5 - Simplified Purchase Method*

*Simplified Purchasing*

**Section 4 : Prohibited and Restricted Purchases**

a. This guidance is intended to assist FAA personnel in determining whether a particular item or service would be a permissible purchase using appropriated funds. There is no ironclad rule or readily available list that describes in every case whether a particular purchase using appropriated funding is permissible. FAA personnel should use common sense and sound judgment, based on appropriations law and related decisions of the Comptroller General.

b. The Government Accountability Office (GAO) established a "necessary expense" doctrine. This doctrine is described fully in Volume I, Third Edition, of "Principles of Federal Appropriations Law," (GAO Red Book) issued by GAO, Office of the General Counsel. This publication states, in part, that for an expenditure to be justified under the necessary expense theory, it must meet certain tests, including: "The expenditure must bear a logical relationship to the appropriation sought to be charged. In other words, it must make a direct contribution to carrying out either a specific appropriation or an authorized agency function for which more general appropriations are available" (GAO Red Book, Volume I, Chapter 4, Section B.1.). By projection, the necessary expense doctrine does not allow use of appropriated funds to purchase items or services that can be reasonably interpreted to meet personal convenience and are not for a necessary Governmental function." The CO or purchase cardholder, consulting with budget officials and legal counsel, should make determinations in this area about questioned or questionable items or services. Almost any listing of prohibited items of purchase is subject to exceptions. To quote the GAO Red Book "The Comptroller General has never established a precise formula for determining the application of the necessary expense rule. In view of the vast differences among agencies, any formula would almost certainly be unworkable. Rather, the determination must be made essentially on a case-by-case basis."

c. *Prohibited and Restricted Items.* For FAA, the following are prohibited or restricted items of purchase (this is not a complete list):

(1) **Drinking water**, except when:

FAST Archive 01/2014

CR 14-12

p. 26

(a) A duly constituted public health authority pronounces ordinary drinking water to be unsafe for human consumption at the site;

(b) A viable and safe water source for FAA personnel is not available on or within a reasonable distance of the worksite;

(c) FAA personnel reasonably foresee a disaster or emergency, such as imminent landfall of a hurricane, and all of the following conditions are present:

(i) FAA personnel reasonably anticipate that drinking water at the site will be unsafe for human consumption;

(ii) The drinking water is for FAA personnel responding to or at the emergency or disaster site;

(iii) The amount of drinking water is commensurate with the anticipated response time at the site or the estimated time for the local drinking water to be considered safe for human consumption, whichever is shorter; and

(iv) The drinking water is purchased in a reasonable time-frame in advance of an imminent emergency or disaster, and the time-frame does not exceed the time required to purchase, stage, and properly distribute the drinking water; or

(d) The drinking water is provided in a controlled environment as may be necessary to enable collections for drug use analysis for safety sensitive positions.

(2) **Food or beverage**, except as described in AMS Procurement Guidance T3.2.2.5A.5, FAA Sponsored Conferences, Seminars, Ceremonies, and Workshops.

(3) **Gifts, gift certificates, and prepaid gift cards.**

(4) **Membership fees** for individual employees. The FAA may purchase membership in a society or association in its own name.

(5) **Subscriptions** to print or online publications or magazines not related to official duties.

(6) **Clothing** or personal apparel of any description, except:

(a) Special type clothing required by FAA. The requestor's supervisor must prepare a written justification for special type clothing and coordinate the justification with legal counsel.

(i) Clothing (such as a shirt with FAA logo) for recruitment activities such as job fairs and professional liaison activities with recruitment sources (e.g., schools, colleges and universities, professional associations/organizations, or intergovernmental agency sources) may be authorized if it supports FAA business objectives and there is a bona fide need.

(ii) Clothing for air shows may be authorized if there is a bona fide need for FAA employees to be clearly identifiable.

(b) Clothing and equipment classified as personal protective equipment (PPE). The requestor's supervisor must prepare a written justification for PPE, but does not need coordination with legal counsel when the value of the procurement is below \$100,000. All PPE must:

(i) Have proper controls established to ensure that PPE is appropriate and accounted for; and

(ii) Be maintained and used according to standards established by the Occupational Safety and Health Administration (OSHA). See the OSHA website for more information.

(c) All clothing or PPE purchased by FAA remains the property of the Government and not the employee.

(7) **Rental of aircraft** by anyone not in an aircraft-related position.

(8) **Fans, air conditioning and cooling equipment, space heaters and heating equipment**, except as properly installed for general use in connection with the maintenance and operations requirements for the site.

(9) **Water coolers, vacuum cleaners, and other household appliances** (i.e. refrigerators, microwaves, etc.), except as requisitioned for general use by the authorities responsible for building maintenance and equipment.

(10) **Cellular or communication devices and services** covered by the National Wireless Program Office (NWPO). Devices provided through the NWPO include cellular phones, one and two-way pager devices, multi-functional server-based devices (e.g. Blackberries), and satellite phones.

(11) **Personalized stationery**, including paper pads, with the name, position, title, logo, or office of FAA personnel, except when:

(a) There is a clear business need approved by the head of the line of business or staff office; and

(b) The requestor notifies Office of Financial ~~Controls~~ Analysis (AFC-1) of the planned purchase in advance.

(12) **Tote bags.**

(13) **Coffee mugs.**

(14) **Water bottles.**

(15) **Leather and other natural hide portfolios, binders, or planners.**

(16) **Give-away items**, including portfolio covers, flash drives, pens, and pencils, for internal or external marketing of products, services, or programs by FAA, with the following exception and conditions:

(a) Purchase of promotional items for recruitment activities, such as for job fairs and professional liaison activities with recruitment sources (e.g., schools, colleges and universities, professional associations/organizations, or intergovernmental agency sources), may be authorized when these items support FAA business objectives and there is a bona fide need. Where there is a bona fide need, the selection of items must meet all of the following criteria:

(1) Has a practical use appropriate for the audience, and are business related items, such as pens, rulers, calculators, post-it notes, business card holders, lanyards or note pads;

(2) The items cannot be a personal use item, such as coffee cups, water bottles, umbrellas, candy or food items, or fans;

(3) Is economically priced and reasonably portable;  
and

(4) Avoids the perception that taxpayer dollars have  
been frivolously spent.

(b) Recruitment items must comply with FAA branding order  
1700.6C and display the FAA jobs website ([www.faa.gov/jobs](http://www.faa.gov/jobs)).

(17) **iPAD** and similar equipment and related services, with the following  
exceptions and conditions:

(a) All purchases of iPAD or similar equipment and related  
services must be approved by the Chief Information Officer (CIO)  
of the respective line of business (LOB) or staff office (SO) for use  
in a pilot program.

(b) iPAD and similar equipment and related services for approved  
purchases may be procured using the FAA purchase card if the  
costs do not exceed established single and monthly purchase limits.

(c) LOB/SO CIOs are responsible for determining the level of  
acceptable security risk. As such, each LOB/SO must review the  
default device settings and modify accordingly to ensure the  
appropriate level of information assurance.

(d) Each LOB/SO must maintain an inventory of all iPAD or  
similar equipment.

(18) **Purchases for Non-Monetary Awards**, except:

(a) The FAA may purchase plaques, trophies, pins, or similar  
*symbolic* items for non-monetary awards to officially recognize  
employees. Items purchased for non-monetary awards must not  
exceed \$75 per item; purchases for the FAA Corporate Awards and  
Recognition program are not subject to this dollar limit, but should  
be reasonably priced and symbolic items. All official awards must  
comply with HRPM, Performance Management PM-9.2,  
Recognizing Employees. Requisitioning offices must maintain  
appropriate documentation for purchases related to non-monetary  
awards.

(b) To enhance an official awards ceremony, reasonable and  
nominally priced purchases, such as for decorations and related  
supplies, are permissible.

(19) **Business Cards**, except:

(a) The FAA may use appropriated funds to purchase business cards for employees if necessary to conduct business and approved in advance. Associate/Assistant Administrators, ATO Vice Presidents, and Regional Administrators/Center Directors determine who in their organization are authorized business cards paid for with appropriated funds to conduct FAA business. Authority for this determination may be delegated to a lower level.

(b) Business cards purchased with appropriated funds are Government property. Employees should exercise good judgment and caution when using their cards in situations not directly related to conducting FAA business.

(c) All FAA business cards must comply with branding logo and template requirements in FAA Order 1700.6C. See the FAA website for more information- (FAA only)

(d) Purchasers must use one of two printing sources when using appropriated funds to purchase business cards:

(1) FAA Aeronautical Center's Media Solutions Group; or

(2) Lighthouse for the Blind, Inc., Seattle, WA (pursuant to the mandatory source requirements of the Javits-Wagner-O'Day Act). See the Lighthouse for the Blind's website for ordering information.

(20) **Purchasing or Renting Portable Storage Units or Procuring Short-term Storage Services**, with the following exceptions and conditions:

(a) Before purchasing or renting storage units or procuring storage services, a determination must be made that existing storage space is not available from other sources within FAA or elsewhere in Government. COs or purchase cardholders must coordinate storage requirements with a Real Estate Contracting Officer (RECO). This coordination is intended to ensure that no in-house storage capabilities are available, and no real estate or facility factors exist that may affect the procurement, such as applicable real estate regulations or unique site requirements.

(b) Storage units or services for purposes of this guidance are limited to portable storage units or containers designed for temporary (less than six months) on-site use or temporary storage in a secured centralized storage center owned by the vendor. The storage units or containers must be classified as personal property and not affixed or attached in a permanent means to the land (real property) upon which they may be situated for temporary use. If the portable storage unit or container is to be placed on land owned or leased by FAA, the CO or cardholder must ensure FAA has legally established rights to use the land before staging or storing a third party item of property (storage unit or container) procured under a service agreement.

(c) When possible, storage requirements for a construction project should be incorporated into the statement of work or specification under the associated construction contract.

(d) Purchase cards cannot be used:

(1) For purchase, rental, or lease of land or buildings;

(2) To purchase real property, which is defined as land, buildings, structures or rights over or under the land, or things that are permanently affixed or attached to the land such as improvements to make it more productive or to make it serve a more beneficial end than the land itself; and

(3) For long-term storage unit rental or services (long-term is defined as six months or more), unless the purchase card is being used as a payment vehicle against a contract or lease signed by a CO/RECO and:

(i) The total cost of rental or purchase of storage services does not exceed the cardholder's delegated authority;

(ii) The portable units are not classified as real property (as defined above); and

(iii) The terms and conditions of the rental or storage services (i.e. termination authority) are set forth in writing and signed by both parties.

---

### **Section 5 : FAA Sponsored Conferences, Seminars, Ceremonies, and Workshops**

**Old Content:** Procurement Guidance:

*T3.2.2.5 - Simplified Purchase Method*

*Simplified Purchasing*

### **Section 5 : FAA Sponsored Conferences, Seminars, Ceremonies, and Workshops**

a. FAA-sponsored conferences, seminars, ceremonies, and workshops are a routine element of FAA operations. FAA personnel must consider certain special requirements when planning and conducting such events.

b. *Office of Financial Controls Oversight Coordination.* For all dollar thresholds cited below, all travel costs must be included as part of the estimate.

(1) Conferences sponsored by FAA with an estimated expenditure of \$500,000 or more are prohibited unless a waiver approving the conference is signed by the Secretary of Transportation.

(2) Conferences sponsored by FAA with an estimated expenditure of \$100,000 or more, when the travel costs FAA will pay in support of the conference are included, require Chief Financial Officer (CFO), Administrator, and Deputy Secretary review and approval.

(3) Conferences sponsored by FAA with an estimated expenditure of less than \$100,000, and 20 or more attendees (including non-FAA employees) meeting outside of their normal duty stations, require FAA Administrator review and approval. Meetings held entirely at FAA or DOT Headquarters, Regional or Center offices, as well as formal classroom training are exempt from this requirement if the total cost is less than \$100,000. Formal training events are defined as “events that typically occur in structured classroom environments and are led by an instructor”.

(4) Agency-sponsored events with more than 50 total attendees (including non-FAA personnel) require FAA Administrator review and approval. Meetings held entirely at FAA or DOT Headquarters, Regional, or Center offices, as well as formal classroom training are exempt from this requirement if the total cost is less than \$100,000.

(5) A copy of the written justification and the approvals must be sent to the FAA CFO at least 30 days prior to the conference for those with an estimated expenditure of \$100,000 or more.

(6) For current forms and guidance, please see the Financial Standard Operating Procedure "Planning Meetings, Conferences, Workshops, Training Events and Award Ceremonies in the FAA" at the Financial Services website and the guidance provided at the CFO Acquisition Oversight website.

c. *Securing Conference Space.* See AMS Real Property Guidance 2.4.6, Appendix F, for real property considerations regarding short-term conference and meeting space. Warranted Contracting Officers under the acquisition organization and the real property organization have the authority to secure conference space. Generally, such space can be contracted for utilizing a standard purchase order or on a purchase card. If the conference space provider produces their own conference form, it must be reviewed for unacceptable terms/language and when acceptable, signed by a warranted Contracting Officer.

d. *Legal Review.* Legal counsel must first review any agreement in excess of \$100,000 (total Government expenditures including room charges for the attendees) between FAA and a hotel. Except as provided below, agreements below \$100,000 do not require review, but review may be sought at the discretion of the CO or the CO's delegee.

(1) Changes to the following AMS clauses require legal review regardless of the dollar value:

(a) 3.9.1-1 Contract Disputes; and

(b) 3.10.6-1 Termination for Convenience of the Government (Fixed Price).

(2) Incorporation of the following clauses requires legal review regardless of the dollar value:

(a) Clauses making any law (including state law) other than Federal law controlling;

(b) Clauses that establish liability beyond what is funded or contingent liability beyond the limits imposed allowed the Federal Tort Claims Act; and

(c) Clauses requiring binding arbitration.

e. *Travel-related Costs.* Employee's travel, hotel, local transportation, and per diem must be paid with the FAA travel card. An employee's travel-related costs cannot be paid for under a contract, purchase order, or FAA purchase card.

f. *Items for Distribution to Conference Attendees.* Generally, personal use items, such as mugs, clothing, or bags, cannot be purchased and given to conference attendees. Conference

planners must consult with legal counsel before purchasing any items to be distributed to conference or event attendees.

*g. Food and Beverage.*

(1) The FAA may purchase food and beverage for conference participants under the following narrowly defined circumstances:

(a) *Formal Conferences.*

(i) The term "formal conference" usually denotes topical matters of interest to and participation of multiple agencies and/or non-Governmental participants. Other indicators are registration, published substantive agenda, scheduled speakers and discussion panels.

(ii) The meals, beverages, and refreshments must be incidental to the conference.

(iii) The employees are not free to take meals elsewhere without being absent from the essential business of the meeting.

(iv) The meals, beverages, and refreshments must be part of a formal conference that includes both substantial functions at the time the meals, beverages and refreshments are served and substantial functions separate from when food, beverages, or refreshments are served.

(v) At formal conferences where the above criteria are met, FAA may also pay for the food, beverages, and refreshments of private citizens or Federal employees from other agencies when an administrative determination is made that their attendance is necessary to achieve the program or conference objectives.

(b) *Internal FAA Training Conferences.* The meals, beverages, and refreshments must be:

(i) Incidental to the conference;

(ii) Attendance at the meals must be necessary for full participation in the conference; and

(iii) The employees are not free to take meals elsewhere without being absent from the essential business of the meeting.

(c) *Award Ceremonies.* The FAA may purchase light refreshments for award ceremonies. If not awarded through a contract or purchase order, the FAA purchase card must be used to purchase light refreshments.

(d) *Cultural Awareness Ceremonies.* The FAA may purchase food or beverage if part of a formal program intended to both advance Equal Employment Opportunity objectives and provide cultural or ethnic awareness. Food and beverage must be part of a culture's food and beverage and offered as part of a larger program that serves an educational function.

(e) *Official Receptions.* For official receptions hosted by the Administrator (or designated senior executive) for foreign or non-Federal dignitaries, FAA may purchase light refreshments, meals, snacks, and beverage. The Administrator's official reception and representation funds must be used for these events (see FAA Order 1200.3). The FAA purchase card may be used to purchase food or beverage for these events.

(2) Except for FAA award ceremonies and the Administrator's official receptions, FAA purchase card cannot be used as a procurement vehicle for food and beverage; a purchase order or contract must be used instead. However, the purchase card may be used to make payment against a duly executed contract signed by a warranted CO.

(3) Food and beverage costs must be reasonable, must not include alcoholic drinks, and cannot be purchased for amusement or social events, such as networking sessions, team-building exercises, or hospitality suites (except hospitality functions at the Administrator's official receptions).

(4) The FAA cannot purchase food and beverage for routine meetings to discuss day-to-day issues. Examples of routine meetings include those to discuss day-to-day operations, to develop business plans to accompany FAA goals, or to develop performance targets.

(5) The FAA may pay a facility rental fee that includes the cost of food or beverages provided to FAA employees where the fee is all-inclusive, not negotiable and competitively priced to those that do not include food.

(6) Foods that constitute “light refreshments” are snacks, such as cookies, and beverages. Light refreshments for morning, afternoon or evening breaks are defined to include: coffee, tea, milk, juice, soft drinks, water, donuts, bagels, fruit, pretzels, cookies, chips, or muffins or related items of similar value. This is distinguished from a meal such as breakfast, lunch or dinner, or multiple heavy hors d'oeuvres. Meals are not “light refreshments.”

h. *Justification for Food and Beverage.* The FAA's policy is to not use, nor create the appearance of use of, Government funds to entertain Federal employees. Before contracting for a conference or event with food and beverage, the Director (or equivalent management level) of the organization sponsoring the event and legal counsel must approve a written justification explaining why food and beverage is necessary. The justification must describe:

- (1) Nature and purpose of the event;
- (2) Applicability of the event to FAA’s programs or activities;
- (3) Any statutory, regulatory, or other authority for the event;
- (4) Participants;
- (5) Dates;
- (6) Facility and location;
- (7) Estimated cost; and
- (8) Reason why food and beverage is necessary.
- (9) Meal(s) that will need to be offset in attendees’ travel vouchers; and
- (10) Keynote functions which include meals. The description of the function is to include any keynote speakers, the type of presentation(s) being given and how they are integral to the conference.

i. *Travel Vouchers and Per Diem.* Conference attendees must offset in their travel vouchers the cost of meals paid for and provided by the Government. Light refreshments do not need to be offset in travel vouchers. See FAA Travel Policy for rules when meals are furnished by the Government.

j. *Registration Fees.* Registration fees are payments collected by FAA, or a support contractor on behalf of FAA, from private and other public participants attending an FAA-sponsored conference. If FAA wishes to charge a registration fee, it must have statutory authority to do so. Under 31 U.S.C. 3302(b), FAA must deposit registration fees in the U.S. Treasury, unless there is specific statutory authority for FAA to keep and use fees collected. The FAA currently

has statutory authority to credit back to its operations account authorized collections; therefore conference planners should check with legal counsel before depositing authorized registration fees into the general treasury. FAA may not authorize a conference support contractor to charge a fee to offset costs. However, in cases when FAA co-sponsors a conference and the co-sponsor incurs the cost of the conference without FAA reimbursement, the co-sponsor is permitted to collect registration fees to cover its costs.

**New Content:** Procurement Guidance:  
*T3.2.2.5 - Simplified Purchase Method*  
*Simplified Purchasing*

### **Section 5 : FAA Sponsored Conferences, Seminars, Ceremonies, and Workshops**

a. FAA-sponsored conferences, seminars, ceremonies, and workshops are a routine element of FAA operations. FAA personnel must consider certain special requirements when planning and conducting such events.

b. *Office of Financial Analysis Oversight Coordination.* For all dollar thresholds cited below, all travel costs must be included as part of the estimate.

(1) Conferences sponsored by FAA with an estimated expenditure of \$500,000 or more are prohibited unless a waiver approving the conference is signed by the Secretary of Transportation.

(2) Conferences sponsored by FAA with an estimated expenditure of \$100,000 or more, when the travel costs FAA will pay in support of the conference are included, require Chief Financial Officer (CFO), Administrator, and Deputy Secretary review and approval.

(3) Conferences sponsored by FAA with an estimated expenditure of less than \$100,000, and 20 or more attendees (including non-FAA employees) meeting outside of their normal duty stations, require FAA Administrator review and approval. Meetings held entirely at FAA or DOT Headquarters, Regional or Center offices, as well as formal classroom training are exempt from this requirement if the total cost is less than \$100,000. Formal training events are defined as “events that typically occur in structured classroom environments and are led by an instructor”.

(4) Agency-sponsored events with more than 50 total attendees (including non-FAA personnel) require FAA Administrator review and approval. Meetings held entirely at FAA or DOT Headquarters, Regional, or Center offices, as well as formal classroom training are exempt from this requirement if the total cost is less than \$100,000.

(5) A copy of the written justification and the approvals must be sent to the FAA CFO at least 30 days prior to the conference for those with an estimated expenditure of \$100,000 or more.

(6) For current forms and guidance, please see the Financial Standard Operating Procedure "Planning Meetings, Conferences, Workshops, Training Events and Award Ceremonies in the FAA" at the Financial Services website and the guidance provided at the CFO Acquisition Oversight website.

c. *Securing Conference Space.* See AMS Real Property Guidance 2.4.6, Appendix F, for real property considerations regarding short-term conference and meeting space. Warranted Contracting Officers under the acquisition organization and the real property organization have the authority to secure conference space. Generally, such space can be contracted for utilizing a standard purchase order or on a purchase card. If the conference space provider produces their own conference form, it must be reviewed for unacceptable terms/language and when acceptable, signed by a warranted Contracting Officer.

d. *Legal Review.* Legal counsel must first review any agreement in excess of \$100,000 (total Government expenditures including room charges for the attendees) between FAA and a hotel. Except as provided below, agreements below \$100,000 do not require review, but review may be sought at the discretion of the CO or the CO's delegee.

(1) Changes to the following AMS clauses require legal review regardless of the dollar value:

(a) 3.9.1-1 Contract Disputes; and

(b) 3.10.6-1 Termination for Convenience of the Government (Fixed Price).

(2) Incorporation of the following clauses requires legal review regardless of the dollar value:

(a) Clauses making any law (including state law) other than Federal law controlling;

(b) Clauses that establish liability beyond what is funded or contingent liability beyond the limits imposed allowed the Federal Tort Claims Act; and

(c) Clauses requiring binding arbitration.

e. *Travel-related Costs.* Employee's travel, hotel, local transportation, and per diem must be paid with the FAA travel card. An employee's travel-related costs cannot be paid for under a contract, purchase order, or FAA purchase card.

f. *Items for Distribution to Conference Attendees.* Generally, personal use items, such as mugs, clothing, or bags, cannot be purchased and given to conference attendees. Conference

planners must consult with legal counsel before purchasing any items to be distributed to conference or event attendees.

*g. Food and Beverage.*

(1) The FAA may purchase food and beverage for conference participants under the following narrowly defined circumstances:

*(a) Formal Conferences.*

(i) The term "formal conference" usually denotes topical matters of interest to and participation of multiple agencies and/or non-Governmental participants. Other indicators are registration, published substantive agenda, scheduled speakers and discussion panels.

(ii) The meals, beverages, and refreshments must be incidental to the conference.

(iii) The employees are not free to take meals elsewhere without being absent from the essential business of the meeting.

(iv) The meals, beverages, and refreshments must be part of a formal conference that includes both substantial functions at the time the meals, beverages and refreshments are served and substantial functions separate from when food, beverages, or refreshments are served.

(v) At formal conferences where the above criteria are met, FAA may also pay for the food, beverages, and refreshments of private citizens or Federal employees from other agencies when an administrative determination is made that their attendance is necessary to achieve the program or conference objectives.

*(b) Internal FAA Training Conferences.* The meals, beverages, and refreshments must be:

(i) Incidental to the conference;

(ii) Attendance at the meals must be necessary for full participation in the conference; and

(iii) The employees are not free to take meals elsewhere without being absent from the essential business of the meeting.

(c) *Award Ceremonies.* The FAA may purchase light refreshments for award ceremonies. If not awarded through a contract or purchase order, the FAA purchase card must be used to purchase light refreshments.

(d) *Cultural Awareness Ceremonies.* The FAA may purchase food or beverage if part of a formal program intended to both advance Equal Employment Opportunity objectives and provide cultural or ethnic awareness. Food and beverage must be part of a culture's food and beverage and offered as part of a larger program that serves an educational function.

(e) *Official Receptions.* For official receptions hosted by the Administrator (or designated senior executive) for foreign or non-Federal dignitaries, FAA may purchase light refreshments, meals, snacks, and beverage. The Administrator's official reception and representation funds must be used for these events (see FAA Order 1200.3). The FAA purchase card may be used to purchase food or beverage for these events.

(2) Except for FAA award ceremonies and the Administrator's official receptions, FAA purchase card cannot be used as a procurement vehicle for food and beverage; a purchase order or contract must be used instead. However, the purchase card may be used to make payment against a duly executed contract signed by a warranted CO.

(3) Food and beverage costs must be reasonable, must not include alcoholic drinks, and cannot be purchased for amusement or social events, such as networking sessions, team-building exercises, or hospitality suites (except hospitality functions at the Administrator's official receptions).

(4) The FAA cannot purchase food and beverage for routine meetings to discuss day-to-day issues. Examples of routine meetings include those to discuss day-to-day operations, to develop business plans to accompany FAA goals, or to develop performance targets.

(5) The FAA may pay a facility rental fee that includes the cost of food or beverages provided to FAA employees where the fee is all-inclusive, not negotiable and competitively priced to those that do not include food.

(6) Foods that constitute “light refreshments” are snacks, such as cookies, and beverages. Light refreshments for morning, afternoon or evening breaks are defined to include: coffee, tea, milk, juice, soft drinks, water, donuts, bagels, fruit, pretzels, cookies, chips, or muffins or related items of similar value. This is distinguished from a meal such as breakfast, lunch or dinner, or multiple heavy hors d'oeuvres. Meals are not “light refreshments.”

h. *Justification for Food and Beverage.* The FAA's policy is to not use, nor create the appearance of use of, Government funds to entertain Federal employees. Before contracting for a conference or event with food and beverage, the Director (or equivalent management level) of the organization sponsoring the event and legal counsel must approve a written justification explaining why food and beverage is necessary. The justification must describe:

- (1) Nature and purpose of the event;
- (2) Applicability of the event to FAA’s programs or activities;
- (3) Any statutory, regulatory, or other authority for the event;
- (4) Participants;
- (5) Dates;
- (6) Facility and location;
- (7) Estimated cost; and
- (8) Reason why food and beverage is necessary.
- (9) Meal(s) that will need to be offset in attendees’ travel vouchers; and
- (10) Keynote functions which include meals. The description of the function is to include any keynote speakers, the type of presentation(s) being given and how they are integral to the conference.

i. *Travel Vouchers and Per Diem.* Conference attendees must offset in their travel vouchers the cost of meals paid for and provided by the Government. Light refreshments do not need to be offset in travel vouchers. See FAA Travel Policy for rules when meals are furnished by the Government.

j. *Registration Fees.* Registration fees are payments collected by FAA, or a support contractor on behalf of FAA, from private and other public participants attending an FAA-sponsored conference. If FAA wishes to charge a registration fee, it must have statutory authority to do so. Under 31 U.S.C. 3302(b), FAA must deposit registration fees in the U.S. Treasury, unless there is specific statutory authority for FAA to keep and use fees collected. The FAA currently

has statutory authority to credit back to its operations account authorized collections; therefore conference planners should check with legal counsel before depositing authorized registration fees into the general treasury. FAA may not authorize a conference support contractor to charge a fee to offset costs. However, in cases when FAA co-sponsors a conference and the co-sponsor incurs the cost of the conference without FAA reimbursement, the co-sponsor is permitted to collect registration fees to cover its costs.

**Red Line Content: Procurement Guidance:**

*T3.2.2.5 - Simplified Purchase Method*

*Simplified Purchasing*

**Section 5 : FAA Sponsored Conferences, Seminars, Ceremonies, and Workshops**

a. FAA-sponsored conferences, seminars, ceremonies, and workshops are a routine element of FAA operations. FAA personnel must consider certain special requirements when planning and conducting such events.

b. *Office of Financial-~~Controls~~ Analysis Oversight Coordination.* For all dollar thresholds cited below, all travel costs must be included as part of the estimate.

(1) Conferences sponsored by FAA with an estimated expenditure of \$500,000 or more are prohibited unless a waiver approving the conference is signed by the Secretary of Transportation.

(2) Conferences sponsored by FAA with an estimated expenditure of \$100,000 or more, when the travel costs FAA will pay in support of the conference are included, require Chief Financial Officer (CFO), Administrator, and Deputy Secretary review and approval.

(3) Conferences sponsored by FAA with an estimated expenditure of less than \$100,000, and 20 or more attendees (including non-FAA employees) meeting outside of their normal duty stations, require FAA Administrator review and approval. Meetings held entirely at FAA or DOT Headquarters, Regional or Center offices, as well as formal classroom training are exempt from this requirement if the total cost is less than \$100,000. Formal training events are defined as “events that typically occur in structured classroom environments and are led by an instructor”.

(4) Agency-sponsored events with more than 50 total attendees (including non-FAA personnel) require FAA Administrator review and approval. Meetings held entirely at FAA or DOT Headquarters, Regional, or Center offices, as well as formal classroom training are exempt from this requirement if the total cost is less than \$100,000.

(5) A copy of the written justification and the approvals must be sent to the FAA CFO at least 30 days prior to the conference for those with an estimated expenditure of \$100,000 or more.

(6) For current forms and guidance, please see the Financial Standard Operating Procedure "Planning Meetings, Conferences, Workshops, Training Events and Award Ceremonies in the FAA" at the Financial Services website and the guidance provided at the CFO Acquisition Oversight website.

c. *Securing Conference Space.* See AMS Real Property Guidance 2.4.6, Appendix F, for real property considerations regarding short-term conference and meeting space. Warranted Contracting Officers under the acquisition organization and the real property organization have the authority to secure conference space. Generally, such space can be contracted for utilizing a standard purchase order or on a purchase card. If the conference space provider produces their own conference form, it must be reviewed for unacceptable terms/language and when acceptable, signed by a warranted Contracting Officer.

d. *Legal Review.* Legal counsel must first review any agreement in excess of \$100,000 (total Government expenditures including room charges for the attendees) between FAA and a hotel. Except as provided below, agreements below \$100,000 do not require review, but review may be sought at the discretion of the CO or the CO's delegee.

(1) Changes to the following AMS clauses require legal review regardless of the dollar value:

(a) 3.9.1-1 Contract Disputes; and

(b) 3.10.6-1 Termination for Convenience of the Government (Fixed Price).

(2) Incorporation of the following clauses requires legal review regardless of the dollar value:

(a) Clauses making any law (including state law) other than Federal law controlling;

(b) Clauses that establish liability beyond what is funded or contingent liability beyond the limits imposed allowed the Federal Tort Claims Act; and

(c) Clauses requiring binding arbitration.

e. *Travel-related Costs.* Employee's travel, hotel, local transportation, and per diem must be paid with the FAA travel card. An employee's travel-related costs cannot be paid for under a contract, purchase order, or FAA purchase card.

f. *Items for Distribution to Conference Attendees.* Generally, personal use items, such as mugs, clothing, or bags, cannot be purchased and given to conference attendees. Conference

planners must consult with legal counsel before purchasing any items to be distributed to conference or event attendees.

*g. Food and Beverage.*

(1) The FAA may purchase food and beverage for conference participants under the following narrowly defined circumstances:

(a) *Formal Conferences.*

(i) The term "formal conference" usually denotes topical matters of interest to and participation of multiple agencies and/or non-Governmental participants. Other indicators are registration, published substantive agenda, scheduled speakers and discussion panels.

(ii) The meals, beverages, and refreshments must be incidental to the conference.

(iii) The employees are not free to take meals elsewhere without being absent from the essential business of the meeting.

(iv) The meals, beverages, and refreshments must be part of a formal conference that includes both substantial functions at the time the meals, beverages and refreshments are served and substantial functions separate from when food, beverages, or refreshments are served.

(v) At formal conferences where the above criteria are met, FAA may also pay for the food, beverages, and refreshments of private citizens or Federal employees from other agencies when an administrative determination is made that their attendance is necessary to achieve the program or conference objectives.

(b) *Internal FAA Training Conferences.* The meals, beverages, and refreshments must be:

(i) Incidental to the conference;

(ii) Attendance at the meals must be necessary for full participation in the conference; and

(iii) The employees are not free to take meals elsewhere without being absent from the essential business of the meeting.

(c) *Award Ceremonies.* The FAA may purchase light refreshments for award ceremonies. If not awarded through a contract or purchase order, the FAA purchase card must be used to purchase light refreshments.

(d) *Cultural Awareness Ceremonies.* The FAA may purchase food or beverage if part of a formal program intended to both advance Equal Employment Opportunity objectives and provide cultural or ethnic awareness. Food and beverage must be part of a culture's food and beverage and offered as part of a larger program that serves an educational function.

(e) *Official Receptions.* For official receptions hosted by the Administrator (or designated senior executive) for foreign or non-Federal dignitaries, FAA may purchase light refreshments, meals, snacks, and beverage. The Administrator's official reception and representation funds must be used for these events (see FAA Order 1200.3). The FAA purchase card may be used to purchase food or beverage for these events.

(2) Except for FAA award ceremonies and the Administrator's official receptions, FAA purchase card cannot be used as a procurement vehicle for food and beverage; a purchase order or contract must be used instead. However, the purchase card may be used to make payment against a duly executed contract signed by a warranted CO.

(3) Food and beverage costs must be reasonable, must not include alcoholic drinks, and cannot be purchased for amusement or social events, such as networking sessions, team-building exercises, or hospitality suites (except hospitality functions at the Administrator's official receptions).

(4) The FAA cannot purchase food and beverage for routine meetings to discuss day-to-day issues. Examples of routine meetings include those to discuss day-to-day operations, to develop business plans to accompany FAA goals, or to develop performance targets.

(5) The FAA may pay a facility rental fee that includes the cost of food or beverages provided to FAA employees where the fee is all-inclusive, not negotiable and competitively priced to those that do not include food.

(6) Foods that constitute “light refreshments” are snacks, such as cookies, and beverages. Light refreshments for morning, afternoon or evening breaks are defined to include: coffee, tea, milk, juice, soft drinks, water, donuts, bagels, fruit, pretzels, cookies, chips, or muffins or related items of similar value. This is distinguished from a meal such as breakfast, lunch or dinner, or ~~multiple~~multiple heavy hors d'oeuvres. Meals are not “light refreshments.”

h. *Justification for Food and Beverage.* The FAA's policy is to not use, nor create the appearance of use of, Government funds to entertain Federal employees. Before contracting for a conference or event with food and beverage, the Director (or equivalent management level) of the organization sponsoring the event and legal counsel must approve a written justification explaining why food and beverage is necessary. The justification must describe:

- (1) Nature and purpose of the event;
- (2) Applicability of the event to FAA’s programs or activities;
- (3) Any statutory, regulatory, or other authority for the event;
- (4) Participants;
- (5) Dates;
- (6) Facility and location;
- (7) Estimated cost; and
- (8) Reason why food and beverage is necessary.
- (9) Meal(s) that will need to be offset in attendees’ travel vouchers; and
- (10) Keynote functions which include meals. The description of the function is to include any keynote speakers, the type of presentation(s) being given and how they are integral to the conference.

i. *Travel Vouchers and Per Diem.* Conference attendees must offset in their travel vouchers the cost of meals paid for and provided by the Government. Light refreshments do not need to be offset in travel vouchers. See FAA Travel Policy for rules when meals are furnished by the Government.

j. *Registration Fees.* Registration fees are payments collected by FAA, or a support contractor on behalf of FAA, from private and other public participants attending an FAA-sponsored conference. If FAA wishes to charge a registration fee, it must have statutory authority to do so. Under 31 U.S.C. 3302(b), FAA must deposit registration fees in the U.S. Treasury, unless there is specific statutory authority for FAA to keep and use fees collected. The FAA currently

has statutory authority to credit back to its operations account authorized collections; therefore conference planners should check with legal counsel before depositing authorized registration fees into the general treasury. FAA may not authorize a conference support contractor to charge a fee to offset costs. However, in cases when FAA co-sponsors a conference and the co-sponsor incurs the cost of the conference without FAA reimbursement, the co-sponsor is permitted to collect registration fees to cover its costs.

---